

“HUD SPECIAL CONDITIONS”
NOTES FOR MULTIFAMILY INSURED PROGRAMS
(Revised August 1998)

HUD Handbook 4460.1 REV-2, paragraph 2-2 D.1. requires the design architect to produce drawings and specifications that comply with HUD standards and criteria.

The following HUD Special Conditions add to or modify the AIA A201-1997, *General Conditions of the Contract for Construction*. They must be included in the “Boiler Plate” of the Project Manual/Specification, without the footnote references:

1. Article 2, 2.2.5., state the number of sets of plans and specs to be provided to the contractor at no cost. (Typically 20 sets for a 20 to 40 unit project), (NOTE- Also add to AIA B181, Article 12 as Basic Services, the number of sets to be provided at no cost).
2. Article 3, 3.7.1, permits, fees, and testing shall be paid by contractor. Soils testing during construction shall be provided and paid by contractor, (see footnote a).
3. Article 3, 3.10.1, contractor shall prepare and submit form HUD-5372, *Construction Progress Schedule* (prepared according to instructions on reverse of form) to HUD for acceptance a minimum of 30 days prior to HUD's Pre-Construction Conference, (see footnote b).
4. Article 3, 3.11.1, the contractor will be provided with a set of plans and specs marked "HUD As-Built Set" at the HUD Pre-Construction Conference. The set marked "HUD As-Built Set" will be maintained and used by the contractor to record all construction changes, modifications, materials, selections, etc. Upon completion of the project construction and prior to release of 10% retainage, the contractor shall return the "HUD As-Built Set" of plans and specs to the HUD Representative as part of "final completion" requirements. The "HUD As-Built Set" is in addition to any other as-built or record documents required by the owner, architect, or others, (see footnote c & t).
5. Article 3, 3.11.1, the contractor is required to provide a topographic land survey map and form HUD-92457, *Surveyor's Report*, completed by a licensed land surveyor as part of final completion and project close-out. The survey map and Report shall be completed in accordance with the instructions on form HUD-92457, HUD Handbook 4460.1 REV-2, paragraph 2-7 B.3. and construction contract(s) form HUD-92442/HUD-92442-A, Article 5.C. The contractor shall provide progress survey maps from time to time which show the project to be entirely within the property and will not encroach upon any easement or right-of-way, or the land of others and is wholly within building restriction lines (set-backs) as part of applications for payment. The contractor shall provide updated

final property survey maps and Reports for HUD's final endorsement (minimum 5 copies) dated less than 90 days for the Map and 30 days for the Report of final endorsement. Survey maps and Reports shall be acceptable to HUD, (see footnote d & t).

6. Article 3, 3.16.1, the contractor shall provide HUD with access to the work, (see footnote e).
7. Article 4, 4.2.5, requests for payment shall be prepared and submitted using form HUD-92448, *Contractor's Requisition - Project Mortgages* (see footnote g).
8. Article 4, 4.2.8., on-site change orders shall be prepared utilizing form HUD-92437, *Request for Construction Changes on Project Mortgages*. Off-site changes must be requested by letter or other form acceptable to HUD, but not form HUD-92437. Requests for payment of change orders shall be submitted utilizing form HUD-92464, *Request for Approval of Advance of Escrow Funds*, (see footnote h).
9. Article 4, 4.2.9., the date of final completion shall be the date the HUD Representative signs the final HUD Representative's form HUD-5379, *Trip Report*, provided that the Report is subsequently endorsed by HUD. Final completion includes all contract requirements including but not limited to: completion of all punch list items, executed form FHA 2485, *Permission to Occupy - Property Mortgages*, As-Built Survey and Surveyor's Report, As-Built Plans and Specifications, warranties, and change orders. (see footnote i & t).
10. Article 4, 4.3.7.1, Claims for additional time shall be submitted as a single separate item on form HUD-92437, not included as part of or along with other types of requests, and requests for payment of changes shall be in the form required by HUD and acceptable to HUD, see 8 (4.2.8) above, (see footnote h).
11. Article 5, 5.2.1., also submit copies to HUD, (see footnote j).
12. Article 7, 7.1.1, proposed changes shall be first discussed among the architect, contractor, owner, and HUD Representative. The HUD Representative makes a preliminary determination of technical acceptability prior to approval by owner and HUD. Changes may be effected only with the prior written approval of HUD under such conditions as HUD may establish, (see footnote k).
13. Article 7, 7.3.1, all change orders must be analyzed and the findings reviewed and accepted by HUD prior to the requested construction change being adopted, included or incorporated into the construction, including architects' field orders. HUD has the right to interpret the contract documents and determine compliance therewith, (see footnote l).

14. Article 7, 7.4.1., minor changes in work will be issued in the form prescribed by HUD after analysis and review, (see footnotes h, k, and l).
15. Article 8, 8.1.2, the contractor shall provided written notification to HUD stating the actual date of construction start, (see footnote m).
16. Article 8, 8.3.1., any contract time extension must be analyzed and the findings reviewed and accepted by HUD, see 8 (4.2.8.), 10 (4.3.7.1), 12 (7.1.1) and 13 (7.3.1) above, (see footnotes h, k, and l).
17. Article 9, 9.2.1., the schedule of values shall be prepared on form HUD-2328, *Contractor's and/or Mortgagor's Cost Breakdown - Schedule of Values* (see footnote n).
18. Article 9, 9.3.1., applications for payment shall be prepared on form HUD-92448, *Contractor's Requisition - Project Mortgages*, (see footnote o).
19. Article 9, 9.3.1.1, applications for Payment of changes shall be submitted on form HUD-92464, see 8 (4.2.8) above, (see footnote h).
20. Article 9, 9.3.2., payment for materials stored off-site shall be stored in compliance with applicable HUD requirements, (see footnote p).
21. Article 9, 9.4.1., certificates for payment shall be as prescribed by HUD, utilizing HUD forms. Form HUD-92448, shall be prepared by the contractor and signed by the contractor, architect and HUD Representative. The HUD-92448 shall be submitted to HUD in quadruplicate by the owner/sponsor as prescribed by HUD. All requests for payment must be analyzed and the findings reviewed and accepted by HUD prior to payment, see 7 (4.2.5) above (see footnote q).
22. Article 9, 9.5.1, payment will be withheld for any change from the contract documents which has not been accepted by HUD, see 8 (4.2.8), 10 (4.3.7.1), 12 (7.1.1), 13 (7.3.1) and 14 (7.4.1) above. An additional amount will be withheld to cover the cost of any repair or replacement necessary to bring the work into compliance with the contract documents, (see footnotes h, k, l).
23. Article 9, 9.7.1, requests for payment shall be acceptable to HUD prior to owner's payment to the contractor, see 7 (4.2.5), 10 (4.3.7.1), 18 (9.3.1) and 21 (9.4.1) above.
24. Article 9, 9.8.1, form FHA-2485, *Permission to Occupy - Project Mortgages*, shall be prepared (original and four copies) and submitted to HUD with copies of the local authorities certificates of occupancy attached. The architect and HUD Representative will make an inspection to determine whether the units listed on

form FHA-2485 or portions thereof are acceptable for occupancy and the form FHA-2485 is subsequently endorsed by HUD, (see footnote r).

25. Article 9, 9.8.2, upon receipt of the contractor's punchlist, the architect and HUD Representative will jointly make an inspection. The date of final completion will be established as noted in 9 (4.2.9) above.
26. Article 9, 9.10.1, final completion and final payment must be analyzed and the findings reviewed and accepted by HUD, (see footnote s & t).

FOOTNOTES: These footnotes provide cross references and location of requirements, for the design representative and project architect's use in preparing specs, they are not to be typed in as part of the HUD Special Conditions;

- a. Reference: Construction Contract(s), HUD-92442/HUD-92442-A (3/94) Article 5, note: the architect must write specs which include all the soils engineer's recommendations.
- b. Reference: HUD Handbook 4460.1 REV-2 paragraph 2-9B, (p. 2-27).
- c. Reference: HUD Handbook 4460.1 REV-2 paragraph 2-9E. (p.2-29).
- d. Reference: Construction Contract(s), HUD-92442/HUD-92442-A Article 5, HUD Handbook 4460.1 REV-2 paragraph 2-7B.3 (page 2-12).
- e. Reference: Construction Contract(s), HUD-92442/HUD-92442-A Article 8.
- f. NOT USED
- g. Reference: Construction Contract(s) HUD-92442/HUD-92442-A Article 3.B., HUD Handbook 4460.1 REV-2 paragraph 3-6 and 3-7 (page 3-11).
- h. Reference: HUD-Handbook 4460.1 REV-2 paragraph 3-12 (page 3-16), Construction Contract HUD-92442/HUD-92442-A Article 1E.
- i. Reference: HUD Handbook 4460.1 REV-2 paragraph 3-15 and 3-16 (page 3-22), Construction Contract(s) HUD-92442/HUD-92442-A Article 2.D.
- j. Reference: HUD Handbook 4460.1 REV-2 paragraph 3-10 (page 3-12), the HUD Amendment To AIA B181 (HUD Handbook 4430.1 Rev 1, Appendix 6).
- k. Reference: HUD Handbook 4460.1 REV-2 paragraph 3-10 (page 3-12) and 3-12 (page 3-16), Construction Contract(s) HUD-92442/HUD-92442-A Article 1.E.
- l. Reference: HUD Handbook 4460.1 REV-2 paragraph 3-12 (3-16), Construction Contract(s) HUD-92442/HUD-92442-A Article 1. E. and 8. B, the HUD Amendment To AIA B181 (HUD Handbook 4430.1 Rev 1, Appendix 6).
- m. Reference: Construction Contract(s) HUD-92442/HUD-92442-A Article 2, HUD Handbook 4460.1 REV-2 paragraph 3-4D (page 3-7).

- n. Reference: HUD Handbook 4460.1 REV-2 paragraph 3-3D.4. (page 3-4) and 3-6C (page 3-11), Construction Contract(s) HUD-92442/HUD-92442-A Article 3B.
- o. Reference: HUD Handbook 4460.1 REV-2 paragraph 3-6 (page 3-11), Construction Contract(s) HUD-92442/HUD-92442-A Article 3.
- p. Reference: HUD Handbook 4460.1 REV-2 paragraph 3-7B (page 3-11), HUD Handbook 4430.1 Rev 1, paragraph 1-14I (page 1-15).
- q. Reference: HUD Handbook 4460.1 REV-2 paragraph 3-6 (page 3-11), Handbook 4480.1 F. 2448-1 through 2448-6, Construction Contract(s) HUD-92442/HUD-92442-A Article 3.
- r. Reference: HUD Handbook 4460.1 REV-2 paragraph 3-4J (page 3-9) and 3-15 (page 3-22), Construction Contract(s) HUD-92442/HUD-92442-A Article 5A.
- s. Reference: Construction Contract(s) HUD-92442/HUD-92442-A Article 3,4, 5, 6 and 10.
- t. Forms HUD-92442 & HUD-92442-A do not make reference to "substantial completion". Substantial completion is referenced on FHA form No. 2485, Permission To Occupy. All requirements of the construction contract must be **FINALLY** completed by the date on the contract, (except for acceptable items of delayed completion). The 100% final "draw" HUD-92448 can not be accepted until **FINAL** completion. Permission To Occupy (Substantial Completion) may coincide with final completion.